Dividend Policy and its Impact on Market Price of Shares: A Study of Selected Indian Information Technology Sector Firms

Synopsis

Submitted in the partial fulfilment for the requirement of

Doctor of Philosophy

In

Applied Business Economics

Submitted By

Bhavna Yadav

Under the Supervision of

Prof. Swami Prasad Saxena

Department of Applied Business Economics Faculty of Commerce

Dayalbagh Educational Institute (Deemed To Be University)

Dayalbagh, Agra 282005

2023

1.0 Background

Dividend policy is concerned with financial policies, paying cash dividend in the present or paying an increased dividend at a later stage. When a corporation earns a profit, it can either distribute it to its shareholders or re-invest in the business which ultimately results into wealth maximization. Whether to pay dividends or not and the amount to be distributed among shareholders is determined on the basis of the company's excess profit and influenced by its long-term earning power. Greater retained earnings are propitious for the company as it can distribute it among its shareholders in future, equalize future dividends or create reserves according to policy of the company. Primarily dividend policy is concerned with the appropriation of profits in the form of dividends and reserves. In the process of allocation of profits, company encounters several internal and external issues such as size of earnings, profitability, liquidity, investment policy, lagged dividend payout etc. of the firm, macro-economic conditions, legal constraints, dividend paid by the peer firms, shareholders' expectations, and tax treatment of dividend.

According to Booth and Cleary (2020) dividend Policy is a framework designed for making decision regarding the percentage of profit to be distributed and the part to be retained in the company for investment purpose. In view of Zafar and Chaubey (2012), dividend payout reveals the strength of company's financial capacity and indicates the extent of the net profits distributed to the shareholders as dividend. A high payout reduces cash resources available with the companies and a low payout ratio enables entities to develop healthy low-cost cash reserves which are required for future growth, capital expenditure and diversification and ultimately results into long-run appreciation of share prices and maximization of firm's wealth. It reacts as a motivational hormone in investor's attitude and its regular growth plays an important role in determining market value of company as well as its shares in the stock market.

It is an accepted fact that better financial health of the company requires balance between the retained earnings and dividend payout which are ultimately treated as the ideal one to optimize the value of the company. Problem arises here that how much a company needs to pay as dividend or how much quantifiable amount should be retained. The board of directors of a company has the sole right to

declare dividend and decide the quantum of dividend. The board, while taking dividend decision besides legal restrictions, considers many factors such as current year's earnings, past dividends, shareholders' preference, management control motive, liquidity position, future financial needs, and access to capital market, contractual restrictions, taxation policy, inflation, and stability of earnings.

2.0 Definition and Legal Framework of Dividend in India

According to the generally accepted definition, 'dividend' means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them. Dividends are usually payable for a financial year after the final accounts are ready and the amount of distributable profits is available. Legal framework of dividend in India is governed by the Companies Act, 2013. The crux of legal framework is compiled in Box – 1 presented below.

Table – 1: Legal Framework of Dividend in India

Section	Matters dealt with
2(35)	Definition of dividend.
51	Payment of dividend in proportion to amount paid up.
91	Declaration of book closure/ record date and publication of notice of record date/ book closure.
123	Payment of dividend – sources, conditions, transfer of profits to reserve etc.
123(5)	Dividend shall be paid to registered shareholders and beneficial owners under CSDL/ NSDL Opening of a separate bank account for making payment of dividend and deposit the amount of dividend into the account within a period of 5 days of its declaration.
126(6)	Restriction on payment of dividend on equity shares on failure to comply with deposits
124	Unpaid dividend to be transferred to special dividend account.
126	Right of dividend etc. – when to be kept in abeyance.
127	Payment of dividend must be made within 30 days of its declaration and penalty for failure to pay dividend within prescribed time limit.

(Source: Companies Act, 2013.)

3.0 Theoretical Foundation

A firm has to make an important financial decision concerned with allocation of profits that involves a decision on the part of profits to be distributed to shareholders as dividend and the part to be retained for future endeavors. Firms normally take dividend decisions in the light of their impact expected on

shareholders wealth. In case dividend decisions do not lead to maximization of shareholders wealth, the firms rescind from paying dividend and retain earnings. Share prices, the biggest concern, are an indicator of firms' overall strength. If a share price of a firm is high or rising, the board of management tends to be happy. Financial experts however have differing view on this issue.

The theories of Linter (1956) and Gordon (1959) state that investors are risk averse in nature hence prefer current earnings (dividend) instead of capital gains in future. While taking investment decisions, investors monitor firm's dividend policy and compare dividends with capital gains. In their view dividend payments have great impact on market price of share. The 'bird-in-the-hand' argument given by Gordon (1963) mainly points that investor's value current dividend over future dividends or capital gains. Gordon, in his theory used the term 'uncertainty with futurity' which implies that the further we look into, the more uncertain dividends become.

Graham and Dodd (1962) also had similar opinions. In their view, typical investor would certainly prefer to have dividend today and let tomorrow take care of it. There are no known instances where the decision to withhold dividends in order to maximize future profits was met with such favor as to raise the stock price. Miller and Modigliani's (1961), in contrast propounded dividend irrelevance theory based on the premise that a firm's dividend policy is independent, and it does not affect shares prices. He believed that value of firm is determined by its investment and financing decisions within an optimal capital structure, not by its dividend decision.

4.0 Literature Review

In the existing literature, studies have focused on different aspects dividend policy decisions, such as implications of dividend theories in different economic settings, determinants of dividend policy, impact of dividend announcements on share prices, relevance of dividend policy in determination of market value of firm Review of some prominent studies is presented below.

4.1 Reviews on implications of dividend theories

There are two foremost schools of thought, the first is that dividends have an impact on the value of firm, and the second is that dividends do not have an impact on firm's value. Dividend smoothening or stability is another aspect academicians and researchers have worked with to prove the relevance of

Payout policy in determining market value of the firm. Over the years studies have also been carried out to test whether firms like to stabilize dividends or set target payout ratio, they consider current earnings as an important determinant of dividend payout. Supporting Linter' (1956) model, Bhattacharya (1979) and Miller and Rock, (1985) suggested that dividend announcements convey information about the prospects of the firms. They mentioned that due to information content in dividends, dividend announcements are taken as a signal of the companies' good position that will raise the stock prices and vice versa. Investors with imperfect information about company conditions would use dividends as a clue to the prospects of the companies.

Priya and Mohanasundari (2016) in a study mentioned that dividend theories have divergent relevance between management and shareholders due to competing interests. Management is primarily concerned with the organization's objective growth, whereas shareholders are concerned with their wealth in terms of share price, which determines their return on investment. They also observed a positive relationship between dividend payout and firm value. Singh and Tandon (2019) in a study conducted to evaluate the effect of dividend policy on market prices of shares. Their findings revealed that there is a significant effect of dividend policy on the stock price of firms. Thus, they support dividend relevance theories and models like those by Gordon and Walter. Bello and Olarinde (2020) affirm the relevance of dividend theory and disagrees with the irrelevance theory given by Modigliani and Miller. They argued that real world is full of market imperfections such as taxes, transaction costs, asymmetric information, and agency cost, hence dividend policy becomes very important for company managers, existing shareholders, potential investors, and market analysts.

4.2 Reviews on determinants of dividend policy

Lee (2009) in a study on dividend policy of banks observed that profitable banks with better performance pay larger dividends. Furthermore importantly, they discovered a lot of proof that strong, effective banks pay higher dividends. In the sub-divided sample tests, he found that more secure and profitable banks tend to pay out larger dividends more aggressively and transparently. As and Jain (2009) observed that dividend payout depends on ineptness, growth, investment opportunities, and profitability. They also observed that among all only profitability has a positive relationship with dividend payout. Shabibi and Ramesh (2011) in a study on determinants of the dividend policy taking

a sample of non-financial UK firms observed that board independence, profitability, firm size, and firm risk have an impact on the dividend policy decisions. They support the theory that corporate governance features affect dividend policy.Nirmalaet.al (2011) showed that the price earnings ratio and leverage are significant determinants of share prices. Bose and Husain (2011) found that Indian firms are reluctant to reduce dividend.

Zayol et. al (2017) evaluated the determinants of dividend policy of petroleum firms in Nigeria from 2011-2014. Findings of the study revealed that firm size, liquidity and leverage do not affect the dividend policy, while profitability was found to have impact dividend policy of petroleum firms in Nigeria. The study concluded that profitability is one of the most considered determinants of dividend policy by listed petroleum firms in Nigeria. Mehdi et. al (2017) investigated the impact of corporate governance and ownership structure on dividend payout policy. The results indicate strong evidence of the significant role of corporate ownership structure and board characteristics in explaining the behavior of dividend policy mainly during crisis periods. They also observed that firms with a higher proportion of institutional shareholders pursue higher dividend payout ratios.

Kumar and Sujit (2018) studied the firm-specific dividend policy determinants among Indian companies and observed that a firm with high growth potentiality has low dividend payout policies. Size, higher agency costs, R&D intensity, liquidity, and profitability of the firm were found to be directly related to dividend intensity. Tariq et. al (2018) examined the influence of corporate governance practices on dividend payout schemes in the context of public banks in Malaysia. Their findings revealed that the CEO duality and board independence were negatively related with dividend policy. Raphael and Mnyavanu (2018) investigated the dividend payment determinants of banks in Tanzania. They found that except size, banks' dividend payment was influenced by profitability, liquidity, growth, and financial leverage in Tanzania.

Nathani and Gangil (2019) looked at the elements that influence the dividend policy of automobile and pharmaceutical firms. The results indicated that liquidity to cash flow, tax rate, investment prospects, and retained earnings are significant factors in determining dividend payout ratios in the automobiles sector, whereas profitability, debt-to-equity ratio, sales growth, and retained earnings were significant factors in determining dividend payout ratios in the pharmaceuticals sector. Fama and French (2001),

Boţoc and Pirtea (2014), Dewasiriet. al (2019), and Budagaga (2020) also found evidence of positive impact of organization's profitability on dividend policy.

4.3 Reviews on impact of dividend policy on share prices and value of firms

Ebrahimi and Chadegani (2011) analyzed the association between incomes, dividend, share value and return on stocks and found that dividends are highly valued by shareholders, and the period's first dividend yield influences stock value. Khan et. al (2011) studied the effect of dividend payment on stock prices and concluded that dividend yield, earnings per share, return on equity, and profit after tax are positively related to stock prices while retention ratio has negative relation with stock prices.

Joo et. al (2012) in a study on the relationship between dividend policy and share price volatility of consumer product industry in Malaysian stock market observed that the dividend yield and dividend payout have negative impact on share price volatility. Ajanthan (2013) observed that dividend policy affects value of firms and therefore managers must give due importance in deciding dividend policy to increase shareholders' wealth. Majanga (2015) carried out research to find if there exists a direct relationship between dividend payments and share prices. The results revealed that there is a significant relationship between dividend payments and market price of shares.

Ahmad et. al (2018) examined the effect of dividend policy on stock price volatility listed at Amman stock exchange, Jordon. Their findings reveal that dividend policy influences the stock price volatility of listed firms. Further, main variables of dividend policy, which are dividend yield and dividend pay-out ratio, have negative influence on stock price volatility. Hoa and Tran (2019) studied the impact of dividend policy and ownership structure on stock price volatility in Vietnamese market and concluded that dividend yield mitigates volatility in stock price and ownership structure. They also mentioned that dividend policy has no moderating effect on the relation between dividend yield and stock price volatility.

Chauhan et. al (2019) investigated dividend policy and its impact on performance of Indian information technology companies. The results indicated that there was a positive relationship between profitability, dividend policy, and shares prices. Putra and Rasyid (2020) in a recent study evaluated the effect of dividend policy on stock prices with profitability as a mediating variable. They found that dividend policy influences stock prices in a constructive and important way. Profitability

has an important and optimistic impact on stock prices. With profitability as a mediating element, dividend policy has a positive and important impact on stock prices.

4.4 Reviews on impact of dividend announcement on share prices

Akbar and Baig (2010) show that announcement of dividends either cash dividends or stock dividends or both have positive effect on stock prices. Khan (2011) in another study concluded that dividend announcements do not have any impact on share prices i.e., no signals regarding growth of firms. He also concluded that in Pakistan no firm has target payout and so they alter and decide dividend policy just on the basis of earnings and liquidity position of the company.

Sheikh et. al (2012) examined how the Malaysian stock exchange, officially known as Bursa Malaysia, responded to the announcement of dividend changes. Their findings showed that when dividends are increased over the previous year, the market price responds favorably, but when dividends are stable, there is a little to no impact on share prices. Markets also reacted negatively when the dividend amount was reduced from the previous year. Findings also show that on the day of the announcement, there is a chance for insider information to be released by the firms.

Abbas (2015) investigated the stock prices response to dividend announcements in the Damascus Securities Exchange, Syria. The findings revealed that there was no significant abnormal return prior to the announcement day. Reaction in the stock prices was seen 6 days after the announcement and continued till 15th day of the announcements. Absence of significant abnormal returns prior to the announcement date reveals that there is no information leakage. Reaction of the stock price post announcement proves that dividend policy is relevant in determining the market price.

Dividend theories offer valuable perspectives on the implications of dividend policies; they provide frameworks for understanding investor preferences, market signalling, tax considerations, and the relationship between dividends and firm value. However, critics raise valid points that these theories may not fully capture the complexities of real-world scenarios, they serve as important tools for companies and investors to make informed decisions regarding dividend distributions.

Several researchers have conducted studies on determinants of dividend policy in different economic settings, and identified ineptness, growth, investment opportunities, profitability, board independence,

firm size, profitability leverage, PE ratio, liquidity to cash flow, tax rate, investment prospects, debt to equity ratio, sales growth, and retained earnings etc. as major determinants of dividend policy. Some studies witnessed positive impact of the size of organization, agency costs, R&D intensity, liquidity, and profitability on dividend intensity; a few researchers viewed negative impact of CEO duality and board independence on dividend policy.

Although, impact of dividend announcement on share prices is very less explored in literature, some researchers tried to examine impact of dividend announcement taking different basis, such as variation in the amount of dividend or according to announcement day either prior day, on day or after day; but their observations are inconclusive. As regards impact of dividend policy on share prices and value of firms, findings of past studies indicate that there exists positive relationship between dividend payments and share price, but its significance in different economic scenario is still ambiguous.

5.0 Rationale of the Study

5.1 Research Gap and Need of the Study

Impact of dividend policy on market price of shares or market value of a firm has been a topic of research for last many decades. Although, a number of researchers carried out empirical studies to examine impact of selected microeconomic factors on dividend policy of firms and investigate the impact of dividend policy on market price of shares of firms in different sectors; they had been unsuccessful in providing a unanimous theoretical model accepting or rejecting the impact of dividend pay-out policy on market price of shares of firms. To the best of the researcher's knowledge, a very few studies attempted to inspect the impact of dividend announcement on market price of shares in the Indian context, transactions by directors immediately before or after dividend announcements, and learn about prominent factors which firms consider while taking dividend decision. Further, there is paucity of studies focusing on non-financial dimensions of dividend payout including mode of payment, regularity of dividend, isolated dividend proclamations throwing light on the impact of dividend announcement on the market price of a shares specially in the context of Indian IT sector.

5.2 Research Questions

Considering above gaps in literature, researcher plans to answer following questions.

1. What are the prominent micro and macroeconomic determinants of dividend pay-out and what is their impact on dividend pay-out policy of firms in Indian information sector (IT) sector?
2. Do dividend announcements affect market price of shares of firms in Indian IT sector? If yes, what is the period before and after the dividend announcement?
3. Whether market price of shares of Indian IT sector firms in NIFTY 50 index basket and outside the index basket behave differently with dividend announcement?
4. How and in what manner dividend pay-out policy of firms affect the market price of shares of firms in Indian IT sector?
5. What are the prominent factors which firms consider while taking dividend decision?

6.0 Information Technology (IT) Sector in India

The Indian Information Technology (IT) sector which comprises the software industry and information technology-enabled services (ITES) including business process outsourcing (BPO) industry has been playing a very prominent role in country's growth and putting India on the global map. Even when COVID-19 pandemic grappled entire world and economies were hitting hard, Indian IT industry delivered positive signs.

The IT sector has become one of the most significant growth catalysts for the Indian economy, contributing significantly to the country's GDP and public welfare. The IT industry accounted for 7.4 percent of India's GDP in FY22, and it is expected to contribute 10 percent to India's GDP by 2025 (IBEF, 2022). IT industry added 4.45 lakh new employees in FY22, bringing the total employment in the sector to 50 lakh employees. In FY21, India ranked third worldwide with 608,000 cloud experts across all verticals, including technology and the role of IT in India's economic development has been imperative and IT industry mainly involves IT services, IT-enabled services (ITES), and Software and Hardware products (IBEF, 2022).

According to National Association of Software and Service Companies (NASSCOM), the revenue of Indian IT industry touched US$ 227 billion in FY22 registering a 15.5 percent YoY growth. Indian software product industry is expected to reach US$ 100 billion by 2025. Exports from the Indian IT industry in FY21 stood at US$ 149 billion of which IT services has been the major contributor

accounting for more than 51 percent of total IT export (including hardware). Indian IT sector companies are now focusing on investing internationally to expand their global footprint and enhance their global delivery centres.

The IT & BPM industry is well diversified across verticals such as BFSI, telecom, and retail. Foreign companies were also taking notice of the growth and potential of the Indian IT sector and government introduced the STP Scheme, which is a 100 percent export-oriented scheme for the development and export of computer software, including export of professional services. In the Union Budget 2022-23, the allocation for IT and telecom sector stood at Rs. 88,567.57 crore (US$ 11.58 billion). (IBEF, 2022)

7.0 Research Objectives

1. To identify key determinants of dividend policy and to examine their impact on dividend policy of selected Indian IT sector firms.
2. To analyze the impact of dividend announcements on market price of shares of selected Indian IT sector firms.
3. To carry out a comparative analysis of the impact of dividend announcements on market price of shares of selected Indian IT sector firms in NIFTY 50 index basket and outside the index basket.
4. To examine the impact of dividend pay-out policy on market price of shares of selected Indian IT sector firms.
5. To conduct a survey of financial executives of dividend paying firms listed on NSE with a view to learn about prominent factors which firms consider while taking dividend decision.

7.1 Hypothesis

Ho_1: There is no significant impact of identified determinants on dividend policies of selected Indian IT sector firms.

Ho_2: There is no significant impact of dividend announcements on market price of shares of selected Indian IT sector firms.

Ho_3: There is no significant difference in the impact of dividend announcements on market price of shares of selected Indian IT sector firms in NIFTY 50 index and outside the index basket.

Ho_4: There is no significant the impact of dividend pay-out policy on market price of shares of selected Indian IT sector firms.

8.0 Material and Methods

8.1 Research Methodology

1. The determinants of dividend policy will be identified through extensive review of literature, and their impact on dividend policy of selected Indian IT sector firms will be examined by using panel data regression technique.
2. The impact of dividend announcements on market price of shares of selected Indian IT sector firms will be analyzed by using event study methodology
3. To carry out comparative analysis of the impact of dividend announcements on market price of shares of selected Indian IT sector firms in NIFTY 50 index basket and outside the index basket the researcher will use event study methodology.
4. The impact of dividend pay-out policy on market price of shares of selected Indian IT sector firms will be examined by using panel data regression technique.
5. The opinion of financial executives of dividend paying firms listed on NSE on prominent factors considered while taking dividend decision will be analyzed by using nominal group technique (NGT) and structural equation modeling (SEM).
6. The hypotheses will be tested by using‘t’ test.

8.2 The Data

The proposed study is based on both primary and secondary data. Secondary data will be collected from working papers, research papers, technical reports, annual reports of selected Indian IT sector firms, and websites National Stock Exchange of India Limited (NSE).

Primary data will be collected through self-structured questionnaire to be executed to 50 financial executives of Indian companies.

8.3 Duration of Study

Financial Year 2013-14 onwards. Because amendment in Indian Companies Act which aims to enhance transparency, improve corporate governance, and protect the interests of stakeholders was done in amended in 2013.

8.4 The Sample

Sample for the study will comprise of top 10 Indian IT sector firms: of which 5 firms in NIFTY 50

index basket and 5 firms outside the index basket. These firms are selected on the basis of market capitalization as on 31 December 2022 (table – 1).

Table – 2: Indian IT Sector Firms in Sample

S. No.	Name	Market Capitalization (Lakh Rs.) As on 31.12.2022
A	**Firms in NIFTY 50 Index Basket**	
A – 1	Tata Consultancy Services Ltd.	68,522,297
A – 2	Infosys Limited	27,320,750
A – 3	HCL Technologies Ltd.	11,842,434
A – 4	Wipro Ltd.	11,237,966
A – 5	Tech Mahindra Limited	5,461,323
B	**Firms out of NIFTY 50 Index Basket**	
B – 1	Larsen & Toubro InfoTech Limited	2,486,562
B – 2	Mind Tree Limited	1,363,805
B – 3	Mphasis	1,238,798
B – 4	Hexaware Technologies Limited	676,402
B – 5	Redington (India) Limited	266,910

(Source: National Stock Exchange of India Limited)

Chapter Plan

Ch. 1: Introduction

Meaning and significance of dividend policy, legal provisions, and introduction to Indian IT sector.

Ch. 2: Literature Review and Research Design

Theoretical Foundation, review of literature, and research methodology.

Ch. 3: Determinants of Dividend Policy

Identification of the determinants of dividend policy, and analysis of the impact of identified key determinants on dividend policy of selected Indian IT sector firms.

Ch. 4: Impact of Dividend Announcement on Market Price of Shares

Analysis of the impact of dividend announcement on market price of shares selected Indian IT sector firms.

Ch. 5: Impact of Dividend Pay-out on Market Price of Shares

Analysis of the impact of dividend pay-out policy on market price of shares selected Indian IT sector firms.

Ch. 6: Conclusion and Suggestions

Conclusions, suggestions, limitations of study and scope for further research.

References

- Abbas, G. (2015). Stock prices' reaction to dividend announcements: A study on listed companies in the Damascus securities exchange. *International Journal of Academic Research in Accounting, Finance, and Management Sciences.* 5(1).
- Ahmad, M. A., Alrjoub, A. M. S., & Alrabba, H. M. (2018). The effect of dividend policy on stock price volatility: empirical evidence from Amman stock exchange. *Academy of Accounting and Financial Studies Journal*. 22(2).
- Ajanthan, A. 2013, The Relationship between Dividend Payout and Firm Profitability: A Study of Listed Hotels and Restaurants Companies in Sri Lanka, *International Journal of Scientific and Research Publications*, Vol. 3
- Akbar, M., & Baig, H. H. (2010). Reaction of Stock Prices to Dividend Announcements and Market Efficiency in Pakistan. *Lahore Journal of Economics*. 15(1).
- Al Shabibi, B. K., & Ramesh, G. (2011). An empirical study on the determinants of dividend policy in the UK. *International Research Journal of Finance and Economics*. 80(12).
- Al-Kahmisi, T. A. S., & Hassan, H. H. (2018). The effects of corporate governance on dividend payout policies in Malaysian banks. *International Journal of Advanced Research and Publications*. 2(2).
- Bello, A. A., & Olarinde, M. (2020). Relevance of dividends (The Bird ın Hand Theory) analysis of Nigeria banking sector (2000-2014), *International Journal of Economics, Commerce and Management. 8(1).*
- Booth, L., Cleary, W. S., & Rakita, I. (2020). *Introduction to Corporate Finance*. John Wiley & Sons.
- Bose, S., & Husain, Z. (2011). Asymmetric dividend policy of Indian Firms: An econometric

analysis. *International Journal of Applied Economics and Finance.* 5(3).

- Boţoc, C., & Pirtea, M. (2014). Dividend payout-policy drivers: Evidence from emerging countries. *Emerging Markets Finance and Trade*. No. 50.
- Budagaga, A. R. (2020). Dividend policy and market value of banks in MENA emerging markets: residual income approach. *Journal of Capital Markets Studies*.
- Chauhan, J., Ansari, M. S., Taqi, M., &Ajmal, M. (2019). Dividend policy and its impact on performance of Indian information technology companies. *International Journal of Finance and Accounting.* 8(1).
- Dang, N. H., Tran, B. M., & Tran, M. D. (2019). Impact of dividend policy on variation of stock prices: Empirical study of Vietnam. *Journal of Economics and Development*. No. 21.
- Dewasiri, N. J., Koralalage, W. B. Y., Azeez, A. A., Jayarathne, P. G. S. A., Kuruppuarachchi, D., &Weerasinghe, V. A. (2019). Determinants of dividend policy: evidence from an emerging and developing market. *Managerial Finance*. 45(3)
- Ebrahimi, M., & Aghaei Chadegani, A. (2011, March). The relationship between earning, dividend, stock price and stock return: evidence from Iranian companies. In *International Conference on Humanities, Society and Culture, IPEDR.* Vol. 20.
- Fama, E. F., & French, K. R. (2001). Disappearing dividends: changing firm characteristics or lower propensity to pay? *Journal of Financial economics*, 60(1).
- Gwahula, R., & Mnyavanu, W. (2018). Determinants of dividend payout of commercial banks listed at dares salaam stock exchange (DSE). *Account and Financial Management Journal*, 3(6).
- Gwahula, R., & Mnyavanu, W. (2018). Determinants of dividend payout of commercial banks listed at Dar es Salaam stock exchange (DSE). *Account and Financial Management Journal*, *3*(06).
- Jepkemoi, A., Odoyo, F., Simiyu, R., & Onyango, R. (2019). The influence of financial performance on dividend payout of commercial banks listed at the Nairobi Securities Exchange, Kenya. *The Strategic Journal of Business & Change Management*, 6(3).
- Joo, I., Hashemi, N. T., & Bahadori, K. J. (2012). The relationship between hope as well as

resiliency and the psychological well-being of students. *Urmia Medical Journal*. 2(23).

- Khan, K. I., Aamir, M., Qayyum, A., Nasir, A., & Khan, M. I. (2011). Can dividend decisions affect the stock prices: A case of dividend paying companies of KSE. *International Research Journal of Finance and Economics*, 76(68).
- Khan, N. U. (2011). *Dividend policy and the stock market reaction to dividend announcements in Pakistan.* University of Dundee. 6(4)
- Lee, S. W. (2009). Determinants of dividend policy in Korean banking industry. *Banks and Bank Systems*, 4(1).
- Lintner, John, 1956, Distribution of Incomes of Corporations among Dividends, Retained Earnings, and Taxes, American Economic Review 46, 97-113.
- Majanga, B. B. (2015). The Dividend Effect on Stock Price- An Empirical Analysis of Malawi Listed Companies. *Accounting and Finance Research*. 4(3).
- Mehdi, M., Sahut, J. M., & Teulon, F. (2017). Do corporate governance and ownership structure impact dividend policy in emerging market during financial crisis? *Journal of Applied Accounting Research*. 18 (3)
- Mehta, C., Jain, P. K., &Yadav, S. S. (2009). Rationale of Stock Dividends! Bonus Shares: An Empirical Study of Private Sector Enterprises in India. *Journal of Financial Management & Analysis*, 22(1).
- Miller, Merton H., and Franco Modigliani, 1961, Dividend Policy, Growth, and the Valuation of Shares, Journal of Business 34, 411-433.
- Nathani, N., & Gangil, R. (2019). Determinants of Dividend Policy in Indian Companies: A Panel Data Analysis. In *Proceedings of 10th International Conference on Digital Strategies for Organizational Success*.10(1)
- Nirmala, P. S., Sanju, P. S., &Rama chandran, M. (2011). Determinants of share prices in India. *Journal of emerging trends in economics and management sciences*, *2*(2), 124-130
- Priya, P. Vidhya, & M. Mohanasundari. (2016). "Dividend Policy and Its Impact on Firm Value: A Review of Theories and Empirical Evidence". *Journal of Management Sciences and*

Technology. 3(30).

- Putra, A., & Rasyid, R. (2020). The Impact of Dividend Policy on Stock Prices with Profitability as Variable Mediation in Manufacturing Companies Listed in Indonesia Stock Exchange. In *The Fifth Padang International Conference on Economics Education, Economics, Business and Management, Accounting and Entrepreneurship (PICEEBA-5 2020)*. Atlantis Press.No.152
- Rajesh Kumar, B., &Sujit, K. S. (2018). Determinants of dividends among Indian firms—An empirical study. *Cogent Economics & Finance*, *6*(1).
- Sheikh bahaei, A., Osman, M. H. M., & Abd Rahman, I. (2012). Information Content in Dividend Announcements, a Test of Market Efficiency in Malaysian Market. *International Business Research*, *5*(12).
- Singh, N. P., &Tandon, A. (2019). The effect of dividend policy on stock price: evidence from the Indian market. *Asia-Pacific Journal of Management Research and Innovation*, *15*(1-2).
- Zafar, S. T., Chaubey, D. S., & Khalid, S. M. (2012). A study on dividend policy and its impact on the shareholders wealth in selected banking companies in India. *International Journal of Financial Management*, *2*(3).
- Zayol, P.I., Mya, A.T., & Muolozie, M. (2017). Determinants of dividend policy of petroleum firms in Nigeria. *Journal of Economics and Finance*, 8(3).